Alterra Power Negotiating Final Settlement of Icelandic Bond

VANCOUVER, July 13, 2017 /CNW/ - Alterra Power Corp. (TSX: AXY) announces that its subsidiary, Magma Energy Sweden, is in the process of negotiating a final settlement of its US$71.3 million non-recourse bond (valued as at June 30), which matures on July 16, 2017. The collateral under the bond will be delivered to the bondholder (formerly the municipality of Reykjanesbær), a consortium of Icelandic pension funds (Fagfjárfestasjóðurinn ORK) and consists solely of shares of Alterra's Icelandic subsidiary, HS Orka hf comprising a 12.7% ownership stake. Once delivered, Alterra's ownership stake in HS Orka hf will reduce accordingly to 53.9%, and Alterra, through Magma Energy Sweden, will continue managing HS Orka hf and consolidating its financial results.

About Alterra Power Corp.

Alterra Power Corp. is a global renewable energy company that manages eight power plants totaling 825 MW of hydro, wind, geothermal and solar generation capacity in Canada, the USA and Iceland. Following this transaction, Alterra will own a 363 MW share of this capacity, generating over 1,500 GWh of clean power annually. Alterra also has an extensive portfolio of development projects and a skilled team of developers, builders and operators to support its growth plans.

Alterra trades on the Toronto Stock Exchange under the symbol **AXY** and OTC in the United States as **MGMXF.**

Cautionary Note Regarding Forward-Looking Information
Certain statements and information included in this news release are "forward-looking information" within the meaning of applicable securities laws that involve risks and uncertainties. Forward-looking information relates to future events or future performance and reflects management's expectations and beliefs regarding future events as of the date hereof. Examples of forward-looking information in this news release include annual generation estimates, Alterra's continued management and consolidation of HS Orka hf's results and Magma Energy Sweden's plans to deliver the collateral as settlement under its Icelandic bond. Forward-looking information is based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection. Since forward-looking information relates to future events and conditions, by its very nature it requires making assumptions and involves inherent risks and uncertainties. Alterra cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking information. Material risk factors and assumptions include the risk that a final settlement of the bond cannot be reached and those set out in the management's discussion and analysis section of Alterra's most recent annual and quarterly reports and in Alterra's Annual Information Form for the year ended December 31, 2016. Although Alterra has attempted to identify important factors that could cause actual actions, events or results to differ materially from forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate and undue reliance should not be placed on forward-looking information. Except as required by law, Alterra undertakes no obligation to update any forward-looking information to reflect new information, subsequently or otherwise.

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CNW 09:00e 13-JUL-17